



STATE OF MAINE  
DEPARTMENT OF EDUCATION  
23 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0023

PAUL R. LEPAGE  
GOVERNOR

JAMES E. RIER, JR.  
COMMISSIONER

**Exhibit #V.B.**

TO: Members of the State Board of Education

FROM: James E. Rier, Jr., Commissioner\*

DATE: March 18, 2014

SUBJECT: Federal Qualified Zone Academy Bond Program

**STATEMENT OF FACT**

The Department of Education coordinates the Federal Qualified Zone Academy Bond (QZAB) program. QZABs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders. Maine has a QZAB allocation balance of \$2,924,000 available for allocation to school units.

Four school administrative units submitted QZAB applications to the Department requesting bonding authority. The Department has completed its review of the applications and verified that all the applicants and their proposed projects meet the eligibility criteria which includes having a 35% free and reduced lunch rate, receiving a private contribution worth 10% of the bond proceeds, and using bond proceeds for rehabilitation or repair of school buildings, purchasing equipment, developing course materials, and/or training teachers and other school personnel.

**CONSTRUCTION COMMITTEE'S RECOMMENDATION**

The Construction Committee considered this exhibit at its March 3, 2014 meeting and voted to recommend that the State Board of Education approve the QZAB applications for projects in Lisbon and RSU 74/SAD 74 and authorize issuance of QZABs for up to the amounts shown on the accompanying list "2014 QZAB Recommended Approvals."

**COMMISSIONER'S RECOMMENDATION**

The Commissioner recommends that the State Board of Education approve the QZAB applications for projects in Lisbon and RSU 74/SAD 74 and authorize issuance of QZABs for up to the amounts shown on the accompanying list "2014 QZAB Recommended Approvals." The total QZAB authorization amount for 2014 is \$2,924,000.

\*Prepared by the Division of School Facilities